



Biotech Daily

Friday October 3, 2008

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECHS EVEN: PROTEOME UP 11%, SUNSHINE DOWN 23%**
- * **IMPEDIMED SUPPLIES DEVICE TO US LIFESTYLE COMPANY**
- * **PHARMAXIS TAKES 12 RESPIRATORY ABSTRACTS TO BERLIN MEETING**
- * **SOLAGRAN TIGHTENING CONTROL OF BIOPROSPECT**
- * **BIONOMICS VOTES ON CEO, DIRECTOR SHARES, OPTIONS**
- * **HEARTWARE APPOINTS 'VETERAN' RAY LARKIN JR AS DIRECTOR**
- * **STEM CELL'S DR PAUL BELLO REPLACES DAVID NEWTON AS CO SEC**
- * **GBS, CM CAPITAL WIN AVCAL GONG FOR PHARMAXIS**
- * **NORWOOD ABBEY SUSPENSION LIFTED**

MARKET REPORT

The Australian stock market lost 1.5 percent on Friday October 3, 2008 with the All Ordinaries down 71.3 points to 4,702.8 points.

Ten of the Biotech Daily Top 40 stocks were up, 10 fell, 12 traded unchanged and eight were untraded.

Proteome was best, up 0.8 cents or 11.43 percent to 7.8 cents, followed by Polartechinics up 5.26 percent to 10 cents and Alchemia up 4.55 percent to 23 cents.

Avexa, Chemgenex and Optiscan climbed more than three percent; Acrux, Clinuvel, CSL and Ventracor rose two percent or more; with Prana up 1.02 percent.

Sunshine Heart led the falls, down 2.5 cents or 22.73 percent to 8.5 cents, followed by Phylogica down 9.0 percent to 9.1 cents and Peplin down 8.33 percent to 38.5 cents.

Genetic Technologies lost 7.69 percent; Labtech was down 6.06 percent; Bionomics fell 5.88 percent; Cellestis fell 4.65 percent; Antisense was down 3.85 percent; with Cathrx down 2.7 percent.

IMPEDIMED

Impedimed says its US fluid status and body composition division will supply its DF50 device to Metagenics Inc for resale to the healthcare professionals.

Impedimed said the San Clemente, California-based Metagenics was a life sciences company and developer and manufacturer of science-based nutraceuticals, medical foods and therapeutic lifestyle change programs marketed to healthcare practitioners.

The DF50 device will be sold in conjunction with Metagenics' "research-based health and wellness products and programs", Impedimed said.

No one at Impedimed was available to comment on the value of the contract, which was not disclosed in the media release to the ASX.

Metagenics will distribute Impedimed technology in the US and Canada.

Impedimed said Metagenics' Australian affiliate, Health World Ltd, has been a long-standing customer.

Metagenics head of medical marketing Mike Katke said his company had "seen the synergies of combining Impedimed's products for assessing fat and fluid status with our own research-based health and wellness products and programs, which we market to healthcare professionals".

"Their scientifically-grounded approach and the reliability and portability of their technology made offering Impedimed to our customers a simple decision," Mr Katke said.

Impedimed was untraded at 72 cents.

PHARMAXIS

Pharmaxis says researchers will present 12 abstracts from its respiratory disease program at the 2008 European Respiratory Society Congress in Berlin.

Pharmaixs said the October 4-8, 2008 conference "brings together many of the world's top respiratory researchers and clinicians to hear latest advances in clinical diagnosis and treatment".

The company said a comprehensive program of research would be presented in symposiums and poster sessions relating to its lung challenge product Aridol and the mucous clearing agent Bronchitol.

In a poster session consultant physician and honorary senior lecturer at London's Royal Brompton Hospital Prof Di Bilton will detail results of a successful randomized, placebo-controlled trial of inhaled mannitol (Bronchitol) in patients with bronchiectasis.

Other key program events from the Pharmaxis respiratory disease program include:

the use of inhaled mannitol (Aridol) for assessing airway disease;

infectious lung diseases including tuberculosis; cough and airway hyper-responsiveness;

assessment of inflammation, hyper-responsiveness and response to exercise in asthmatic children;

exercise-induced asthma, acute severe asthma and allergic rhinitis in children;

investigation, inspiration, ventilation, dedication: the essence of physiological measurement; and

phenotyping of asthma and chronic obstructive pulmonary disease.

Pharmaxis said the conference was "Europe's biggest annual scientific gathering in respiratory medicine, with more than 17,000 participants each year".

Pharmaxis was unchanged at \$2.35.

BIOPROSPECT, SOLAGRAN

Bioprospect says it has received a requisition from Solagran to call a general meeting to remove Stephen Morrow as a director and non-executive chairman.

Solagran holds more than five percent of the issued capital of the company.

Bioprospect said it was reviewing the request and would keep the market informed of developments.

In August, Solagran became a substantial shareholder in Bioprospect with a holding of 32,339,041 shares or 6.64 percent of the company (see Biotech Daily; August 29, 2008).

On September 1, 2008, Bioprospect said it had appointed Anthony Langdon as well as Solagran directors Peter Adrian Stedwell and Peter Charles Pellegrino as directors.

On September 22, 2008, Victoria Police confirmed to Biotech Daily that there was an ethical standards investigation into Snr Sgt Langdon "regarding secondary employment and threats of intimidation".

Snr Sgt Langdon is associated with Leo 'The Gun' Khouri.

Bioprospect, Solagran and Mr Khouri were all affected by the Opes Prime Stockbroking collapse (see Biotech Daily; April 4, 2008).

The Bioprospect board is Stephen Morrow, Dr Michael Quinlan, Peter Landau, Mr Stedwell, Mr Pellegrino and Snr Sgt Langdon.

Mr Khouri owns about 14 percent of Bioprospect with other interests associated to Mr Khouri holding about two percent.

Mr Khouri also holds 0.99 percent of Solagran through Gun Capital.

The annual general meeting to decide the resolution is expected to be held in November.

Bioprospect fell 0.2 cents or 10.53 percent to 1.7 cents.

Solagran fell half a cent or 1.37 percent to 36 cents.

BIONOMICS

Bionomics shareholders will vote on the grant of 1,095,000 options to chief executive officer Dr Deborah Rathjen and 500,000 options to director Dr Errol De Souza.

Bionomics said Dr Rathjen's options would vest over three years, exercisable at 37.16 cents, with Dr De Souza's options vesting over five years, exercisable at 30 cents.

The company's shareholders will consider the issue of 132,674 shares to Dr Rathjen, 79,527 shares to chairman Dr Peter Jonson and 39,763 shares each to Dr De Souza and Trevor Tappenden. The meeting will also vote on the reelection of director Dr De Souza.

The annual general meeting will be held at the Grevillea Room, Hyatt Regency, North Terrace, Adelaide, on November 5, 2008 at 10:30am.

Bionomics fell two cents or 5.88 percent to 32 cents.

HEARTWARE

Heartware has appointed "veteran healthcare executive" Ray Larkin Jr as a non-executive director, effective immediately.

Heartware said Mr Larkin was chairman of Align Technology and Novasys Medical Inc.

Align Technology is a medical device company capitalized at \$750 million, engaged in the design, manufacture and marketing of novel orthodontic products.

Novasys Medical recently completed a substantial private financing and is a device company focused on the development of therapies in women's health.

Mr Larkin is a director of Neuropace which develops devices for neurological disorders and Therox a device company treating oxygen-deprived tissue in cardiac arrest victims.

Heartware was unchanged at 62 cents.

STEM CELL SCIENCES

Stem Cell Sciences has appointed Dr Paul Bello as joint company secretary following David Newton's resignation on September 30, 2008.

Dr Bello is also the head of research in Australia.

United Kingdom-based Giorgio Reggiani is the other joint company secretary.

Stem Cell was untraded at 30 cents.

GBS VENTURE PARTNERS, CM CAPITAL, PHARMAXIS

GBS Venture Partners and CM Capital have won an award for the 'best early stage investment' for their backing of the then fledgling Pharmaxis.

The award was announced at the Australian Private Equity & Venture Capital Association (Avcal) conference at the Gold Coast on September 25, 2008.

A GBS media release said the award was for GBS's investment of more than \$7 million in Pharmaxis for the research, development and commercialization of therapies for under-treated respiratory diseases.

GBS invested through two of its funds for a combined return of \$93 million and an internal rate of return of more than 60 percent.

CM Capital invested a total of \$5.5 million of which about \$4.7 million has had an eight-fold return of \$37.5 million. CM Capital retains shares in Pharmaxis. The internal rate of return to CM Capital is 63 percent so far.

The AVCAL award is one of six presented annually to recognize the most outstanding investments of venture capital and private equity in Australia.

GBS managing director Brigitte Smith said the award was "recognition of what we do best at GBS, and that's to provide funding for some of the most exciting start-up companies in the life sciences arena, from early stage to listed companies".

"This investment in Pharmaxis has generated internationally competitive returns for GBS," Ms Smith said.

"One of the two funds we used to invest in Pharmaxis is an Innovation Investment Fund and this significant return has allowed us to further pay back the Federal Government's investment in the Australian venture capital industry, whilst at the same, provides a strong return to the other GBS investors," she said.

"GBS was also deeply involved in the hiring of a superb management team and board, particularly the chief executive officer Dr Alan Robertson and the chief financial officer David McGarvey," Ms Smith said.

Pharmaxis was unchanged at \$2.35.

NORWOOD ABBEY

The ASX says the suspension of Norwood Abbey will be lifted before trading on October 6, 2008 following the receipt of its annual report.

Norwood Abbey was the only biotechnology company of 30 companies suspended on October 1, 2008 for failing to lodge full year accounts.

Norwood Abbey last traded at one cent.